

To: John Smith
 From: XYZ Insurance Agency
 RE: Mortgage Life Insurance
 Mortgagor: [John Smith]
 Co-Mortgagor: [Mary Smith]
 Loan #: [51984]
 Loan Amount: \$100,000

Page 3 of 4

Congratulations! We have been informed that your mortgage loan has been approved. Now we have more good news for you.

As you can see below, you can choose one of three different mortgage protection plans utilizing Life Insurance, each one specifically designed for your loan. We give you the choice of selecting the particular type of coverage that best suits your individual needs.

At USA Savings & Loan Insurance Services, we take particular pride in providing our customers with superior products and services. Our mortgage protection plans, which we make available to you, are clear examples of this commitment.

Please review your three choices below. Based on your \$100,000 mortgage loan, we feel certain that one is sure to meet your own specific needs and preferences.

Sec. 1

PLAN A	
Critical Period Protection:	
Select One:	
<input type="checkbox"/> 3 years of mortgage payments	Monthly Cost: \$ 11.83
<input type="checkbox"/> 4 years of mortgage payments	Monthly Cost: \$ 14.32
Upon the death of [John Smith], provides the family with money equal to 3 years of mortgage payments	

PLAN B	
Full Protection:	
Monthly Cost: \$ 28.16	Death Benefit: \$100,000
Provides money for the immediate payoff of your mortgage upon the death of [John Smith].	

PLAN C	
Joint Protection:	
Monthly Cost: \$ 39.81	Death Benefit: \$100,000
Provides money for the immediate payoff of your mortgage upon the death of either [John Smith or Mary Smith].	

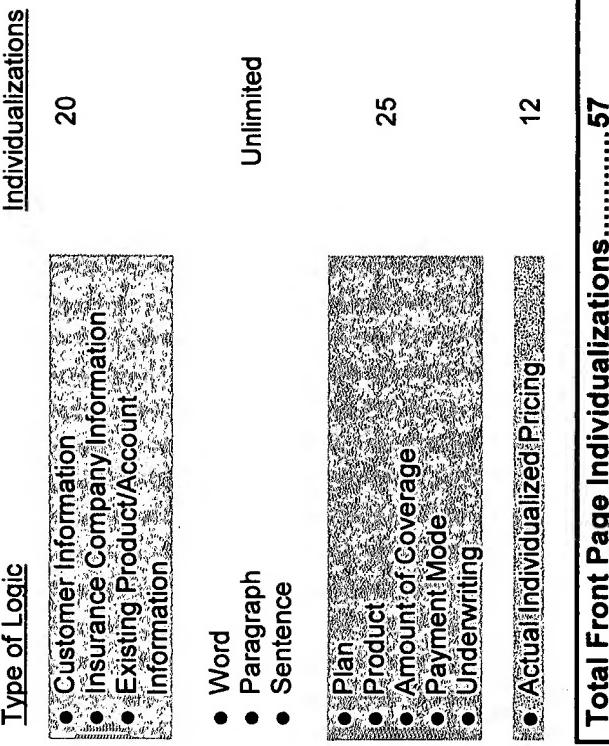
Please indicate your choice here; then, see instructions on reverse side.

Yes, I choose Plan... A (3 yrs) B (4 yrs) C
 I wish to be billed: Annually Monthly (Automatic Checking Account Deduction)

* See other side for a full description of this plan. All premiums above reflect standard, non-tobacco rates. If you use tobacco, your monthly cost will be \$21.31 for Plan A (3 yrs); and \$ 28.97 for Plan B. For Plan C, if both parties use tobacco, the monthly cost will be \$ 54.95. If John uses tobacco and Mary does not the cost will be \$50. If Mary uses tobacco and John does not the cost will be \$ 44.45. Above prices are based on age(s) as of date of loan approval; John is male age 40 and Mary is female age 37.

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Sec. 2



FRONT OF SALES COMMUNICATION
(duplex communication)

APPENDIX I

IMPORTANT INFORMATION ABOUT THIS OFFER**HOW TO OBTAIN THIS COVERAGE**

Please do not mistake this offer for a Group Mortgage Life Insurance offer that you may have received from time to time in the mail. The insurance being offered here is individual coverage for our new loan customers. Our individual policies have these advantages over most group mortgage life policies:

- Lower Cost
 - ✓ Because you must qualify for this coverage individually, the cost of insurance is lower than if no qualification were needed. If you are in good health, why pay more?
- Because of the probability these days that most people will not stay in the same home for a full 30 year mortgage, our policies have shorter durations than 30 years. They are therefore less expensive.
- Level death benefits
 - ✓ Because these policies can be kept active from loan to loan, no matter how often you change your loan, you do not have to rebuy a new mortgage life policy, at a costlier older age, every time a change is made.

- The death benefit of these policies do not reduce as the mortgage loan decreases. Your beneficiary will have extra money available since, after a few years, the level death benefit will be larger than the outstanding loan!
- The beneficiary may choose to use the money for any purpose, depending upon circumstances at time of claim. Or, if you desire, the death benefit may be used for mortgage purposes only, if initially requested.

EXPLANATION OF EACH PLAN**Critical Period Protection - Plan A**

Provides coverage in an amount sufficient for your family to pay the monthly mortgage payments for your choice of 3 years or 10 years.² This period is generally considered to be the most critical period for the family after the death of an income earner. The importance of Critical Period Protection centers on the ability of the family to remain in their home until a decision can be made as to future plans. This choice is a lower cost alternative to purchasing full loan balance insurance as in Plans B or C.

Full Protection - Plan B

Provides insurance for the full mortgage loan amount on the life of John Smith. \$10,000 will be paid in full at the time of his death. If only one person's income is primarily responsible for loan payments, this may be the best choice for you.

Joint Protection - Plan C

Provides insurance for the full mortgage loan amount on each co-borrower. The \$100,000 benefit will be paid in full no matter which insured dies first. The surviving co-borrower may keep his or her \$100,000 benefit active. Joint Protection is especially important in these times when it often takes the combined income of two persons to meet mortgage payments. If both the borrower and the co-borrower earn income, this is, perhaps, the most sensible choice for you.

¹This applies except for Plan A. ²Based upon the loan interest rate and monthly mortgage payment at the time of loan.

IMPORTANT INFORMATION ABOUT THIS OFFER**HOW TO OBTAIN THIS COVERAGE**

- ① **CHOOSE:** Select Plan A (3 or 10 year), B, or C by checking the box on the bottom of page 1.

FILL OUT:

- For Plan A or B: John Smith fills out one of the enclosed applications answering all the questions (you may discard the second application). For Plan C: John and Mary Smith each fill out one of the enclosed applications answering all the questions.
- For Question 6A: Please indicate either Plan A (3 or 10 year), B, or C. Please disregard Question 6D.

SIGN:

- For Plan A or B: John Smith signs next to the two (2) red X's at the bottom of the application.
- For Plan C: John Smith signs next to the two red (2) X's at the bottom of his application and Mary Smith signs next to the two red (2) X's at the bottom of her application.

RETURN:

- Return this letter and application(s) to us in the postage-paid envelope provided.

- Please Note:** If you select Plan B or C: To help you qualify for the lowest cost possible, we are arranging a short paramedical examination at no cost to you. This can be done at your home or office. The exam is a simple one and will only take 10 to 15 minutes.
- QUESTIONS & ANSWERS**
- Q: Who is USA Savings & Loan Insurance Services?**
- A:** We are an insurance agency wholly owned by USA Savings & Loan. We were created so our customers would have the peace of mind knowing that the related mortgage insurance products they buy were carefully selected, scrutinized for price and quality, and will be serviced by us.
- Q: Why should I buy this product?**
- A:** Mortgage protection can be vital to the ongoing well-being of your family. Most people feel secure knowing that in the event of the income earner's death, the family will be relieved of a devastating financial burden.

NEED ADDITIONAL INSURANCE?

Would you like more information or a quotation on additional amounts of life insurance for yourself, your spouse or children? Just call our toll-free line or fill in the following:

Name	Amount	Tobacco User	Birthday	Sex	Type of Life Insurance
John	\$ _____	N Y	____/____/____	F M	Permanent Term
	\$ _____	N Y	____/____/____	F M	Permanent Term

Call (1800) 575-8273

Total Back Page Individualizations 96**Total Front & Back Individualizations 153**

- If you have any questions. ● Need more information.
- Need help with the enclosed forms.

BACK OF SALES COMMUNICATION